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Published in:
Asia Pacific Journal of Public Administration

DOI:
[10.1080/23276665.2017.1368246](https://doi.org/10.1080/23276665.2017.1368246)

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version
Publisher's PDF, also known as Version of record

Publication date:
2017

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Kuswanto, K., Hoen, H. W., & Holzhacker, R. (2017). Bargaining between local governments and multinational corporations in a decentralised system of governance: The case of Ogan Komering Ilir and Banyuwangi districts in Indonesia. *Asia Pacific Journal of Public Administration*, 39(3), 189-201.
<https://doi.org/10.1080/23276665.2017.1368246>

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To cite this article: K. Kuswanto, Herman W. Hoen & Ronald L. Holzacker (2017) Bargaining between local governments and multinational corporations in a decentralised system of governance: the cases of Ogan Komering Ilir and Banyuwangi districts in Indonesia, *Asia Pacific Journal of Public Administration*, 39:3, 189-201, DOI: [10.1080/23276665.2017.1368246](https://doi.org/10.1080/23276665.2017.1368246)

To link to this article: <http://dx.doi.org/10.1080/23276665.2017.1368246>



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Published online: 31 Aug 2017.



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RESEARCH ARTICLE

Bargaining between local governments and multinational corporations in a decentralised system of governance: the cases of Ogan Komering Ilir and Banyuwangi districts in Indonesia

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(Received 28 February 2017; accepted 11 August 2017)

Studies of the relationships between local governments and multinational corporations (MNCs) regarding foreign direct investment (FDI) remain few, despite many countries having implemented policies of decentralisation. In response, by employing ideas about decentralisation, FDI and political bargaining, this article addresses the relationships using two districts in Indonesia as case studies, from which some significant interrelated insights are acquired. One is that the local governments concerned are open to FDI, with their relationships with MNCs being cooperative rather than conflictual. Another is that their bargaining positions vis-à-vis MNCs are inevitably influenced by varying alignments of goals, stakes, resources and constraints. A third is that alternative bargaining arrangements are possible in the form of direct and indirect negotiations, with corresponding involvement by other levels of government. These and associated insights confirm the importance of the relationships and the bargaining process involved, with an ongoing focus on how the relationships and the results thereof can be enhanced in the interests of sound socio-economic development at the local level.

Keywords: local governments; multinational corporations; decentralisation; local government–multinational corporation relationships; bargaining; foreign direct investment; Indonesia

Introduction

The relationship between local governments and multinational corporations (MNCs) regarding foreign direct investment (FDI) has become an important topic in the field of international political economy. It is increasingly important because many countries have implemented policies of decentralisation. This has resulted in various levels of government now being involved in managing FDI, with a bargaining process between local governments and MNCs being unavoidable to ensure the benefits of FDI flow to local citizens (Eden, Lenway & Schuler, 2005).

The contribution of FDI to development remains ambiguous. On the one hand, FDI may enhance the economic growth of the host country (Bloostrom & Kokko, 1998; Rodriguez-Clare, 1996; Graham & Krugman, 1991), improve the quality of life of its people (Moran, 2011; Colen, Maertens & Swinnen, 2009; Baghirzade, 2012), and

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improve its economic, institutional and legal reform (Zhan, 1993). On the other hand, Moran (2011) asserts that the contribution of FDI to economic development differs considerably, depending on the economic sector involved. For example, in extractive industries it may often result in more damaging local impacts than in other sectors.

Indonesia has implemented a policy of decentralisation since 2001. During the decentralisation era, although the overall volume of FDI to the provinces and districts has increased significantly, the contribution of FDI to regional economic development remains low (KADIN, 2012). Also, the investment climate has deteriorated due to institutional problems such as corruption, overlapping regulations, over-taxation, and policy fragmentation (LPEM-UI, 2002; World Bank, 2005; Kuncoro, 2006). These matters raise questions about how local governments may steer FDI to meet more effectively the needs of local people.

In response, this article addresses the question: What is the nature of the relationship between local governments and MNCs with regard to FDI in the era of decentralised governance? This question embodies two specific questions: What is the bargaining position of local governments vis-à-vis MNCs? What strategies have local governments adopted to increase their bargaining position vis-à-vis MNCs? Hereafter, answers are provided through case studies of two districts in Indonesia – Ogan Komering Ilir (OKI) and Banyuwangi – with reference to national and local policies related to FDI management and the bargaining process between local governments and MNCs.

The case studies are timely, especially as analyses of the bargaining relationship between local governments and MNCs remain few despite many countries having implemented decentralisation policies. Examples include a study by Thnik (2006) of MNC-local relations for regional economic development in Slovakia; a study by Yeung and Lie (1999) of the relationship between MNCs and the Shanghai provincial government in China; and a study by Pacero (2004) of the nature of FDI-related competition among various regions globally, with government policy interventions aimed at protecting national interests. These studies are significant, but have lacked critical information on how local governments negotiate to meet the interests of local citizens when bargaining with MNCs and how they seek to enhance their positions in this regard.

Decentralisation, FDI and the relationship between local governments and MNCs

Decentralisation is a transfer of power and responsibilities from a central government to subnational levels of government or to semi-autonomous public agencies, private entities and civil society organisations to manage important aspects of public affairs, especially in the delivery of public services (Crook & Manor, 1998; Agrawal & Ribot, 1999; Cheema & Rondinelli, 2007). The power and responsibilities involved can be delegated or devolved, with devolution to subnational governments allowing participation of citizens in local decision-making and the selection of political representatives (Cheema & Rondinelli, 2007). Both delegation and devolution are relevant to the generation and management of FDI at the local level of government and governance.

Decentralisation can encourage local governments to be more open towards FDI and to forge more cooperative relationships with MNCs. At the same time, it can increase competition among local governments for capital investment, with local governments being stimulated to provide good investment climates and incentives to attract capital investment, including foreign investment (Qian & Weingast, 1997; Kessing, Konrad & Kotsogiannis, 2007). This kind of competition can reduce the potential of opportunistic behaviour by central bureaucrats and politicians, as well as any

expropriation action directed at foreign corporations (World Bank, 2004; Qian & Weingast, 1997).

Decentralisation comprising political representation encourages local leaders to consider the interests of local citizens in the public policy process. It promotes public participation in development as a means of formulating policies which may better meet local needs and conditions (Boeninger, 1992; Bardhan, 2002; UNDP, 2009; ICD, 2016). Specifically, in making FDI and other investment projects fit with local needs, it facilitates a locally-controlled bargaining process involving local governments, local companies and MNCs (Guthrie, 1997). Such a process is unavoidable because of the need to consider the interests of various stakeholders, including local communities, consumers and civil society organisations. This means that the necessary bargaining ought to be based on considerable cooperation, with open and informed negotiations occurring before and during the entry of FDI with the aim of ensuring local communities benefit from the investments (Eden, Lenway & Schuler, 2005).

In the bargaining process, the relationship between local governments and MNCs is conditioned by their power to determine the distribution of FDI costs and benefits (Dicken, 1994; Yeung & Lie, 1999). This power is inevitably fluid and multi-dimensional, but it does have important identifiable components. Hence the analytical value of a bargaining model which, in adapted form, enables the relationship between a local government, central government and MNC to be examined by comparing their goals, stakes, resources and constraints (Eden, Lenway & Schuler, 2005): see Figure 1.

The FDI-related goals of local governments are based on preferences and capabilities, usually regarding the economic benefits of FDI such as jobs, knowledge and technology spillover (Eden, Lenway & Schuler, 2005). By contrast, the goals of MNCs are to embrace new markets, acquire raw materials, gain efficiencies, acquire knowledge and technology, and seek legitimacy by developing partnerships with local institutions and firms (Eden, Lenway & Schuler, 2005). These differing sets of goals need to be addressed and balanced as appropriately as possible. In the process, the size of the stakes matters in terms of whether or not local governments and MNCs genuinely have alternative courses of action open to them. Thus, for example, if several MNCs want to invest in a particular area, the local government involved will have increased bargaining power in the FDI negotiations (Eden, Lenway & Schuler, 2005).

Also pertinent are the resources of local governments and MNCs. Local governments have strong bargaining power when they possess resources needed by MNCs, just as MNCs are powerful when local governments need them because of other resources for local development being scarce (Eden, Lenway & Schuler, 2005). MNCs possess important resources in the form not only of money and financing capacities, but also of institutional networks, knowledge and managerial expertise. On the other hand, local governments possess or have some control over raw materials and local markets, labour, knowledge and technology (Dunning, 1998).

The effects of goals, stakes and resources on the bargaining power of local governments and MNCs are tempered considerably by significant operational constraints. Local governments are often constrained, for example, by unstable political situations and/or by pressure from political parties and interest groups, as well as by balance of payment issues or economic crises (Eden, Lenway & Schuler, 2005). On the other hand, MNCs are constrained, for example, by international, national and local laws and by previous or ongoing contractual commitments and experience (Argyres & Liebesind, 1999). In essence, the larger the constraints faced by a local government or MNC, the weaker its bargaining power.

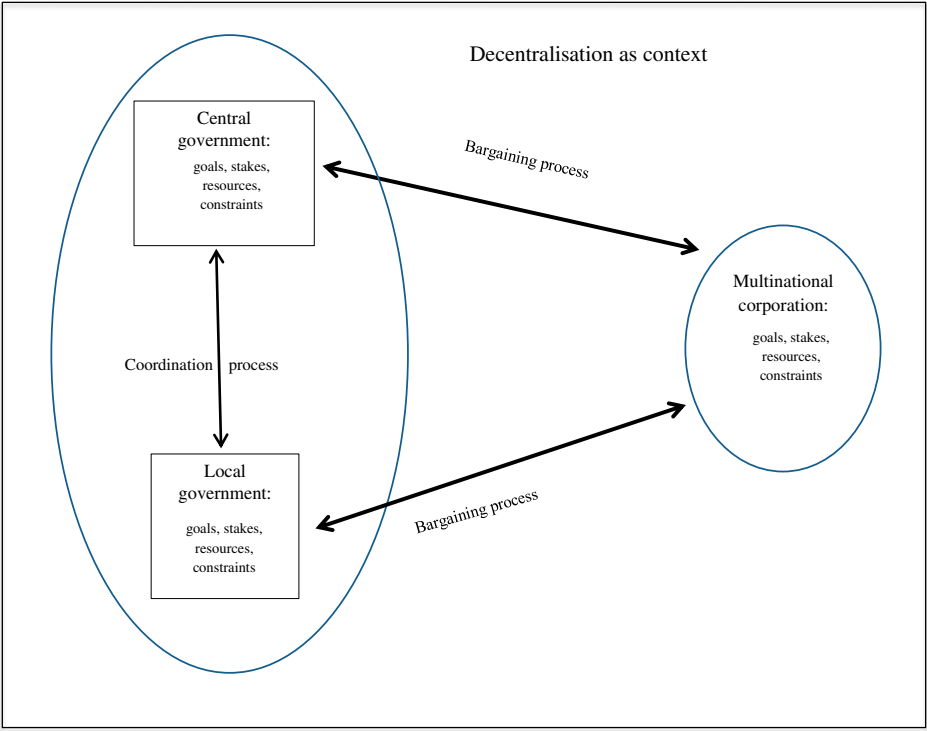


Figure 1. Bargaining relationship between a central government, local government and MNC in a decentralised system.

Local governments and MNCs can adopt, or benefit from, different strategies and associated arrangements in support of their bargaining positions. Local governments, for example, can be assisted by central government controls which prohibit, restrict or permit access of MNCs to domestic sectors; which require MNCs to forge joint venture, co-production and/or technology transfer agreements with local companies; which limit the amount of foreign equity in local companies; which seek to foster or maintain equality across regions; and which check or constrain exports, infrastructure developments, and impacts on agriculture and mining (Luo, 2005). In response, or as separate initiatives, MNCs can use political lobbying to gain legitimacy and seek political accommodation through the cultivation and maintenance of relevant personal relations, while also invoking international regulations on trade and investment and some multi-lateral and bilateral investment treaties in support of their goals (Eden, Lenway & Schuler, 2005).

Generally, where there are quality institutions and good investment climates in a district, the number of MNCs interested in investing will increase, such that the bargaining power shifts in favour of the local government involved. Alternatively, the greater the tendency towards local corruption and the greater the political hazards of the bargaining process, the greater the potential bargaining power of MNCs (Eden, Lenway & Schuler, 2005).

Research focus and methodology

The relationship between local governments and MNCs in Indonesia is addressed here using qualitative methodology that is case-study based. Policies and regulations concerning decentralisation and FDI are considered, leading into case studies of the experience in two districts: Ogan Komering Ilir and Banyuwangi. These districts were selected because they are essentially typical districts in Indonesia: rural, lacking adequate infrastructure, yet rich in natural resources, with economies dependent on agriculture. Given these characteristics, but also because their success in attracting FDI has exhibited contrasting approaches in the interaction with MNCs, the analysis of their FDI experience is potentially useful as a foundation for understanding the FDI bargaining processes in other districts and governance contexts.

The field research was undertaken from 1 March to 14 May 2016. In-depth interviews were conducted with 10 key actors from and beyond the local governments and MNCs in the two districts. The interviews addressed the nature of the FDI bargaining process in terms particularly of the goals, stakes, resources and constraints of the local governments, as well as the strategies adopted by the local governments as possible means of strengthening their bargaining positions concerning MNCs.¹

Decentralisation and FDI management

Indonesia started implementing a policy of decentralisation in 2001 when Law No. 22 on Regional Autonomy (1999) came into force. The law provided for authority to be devolved from the central government to the provincial and district levels of government, except in respect of national security, national defense, religious affairs, foreign affairs, monetary affairs, and the judicial system. A related Presidential Decree No. 117 (1999) gave provincial governments the authority to administer the processes of FDI, but this authority was subsequently resumed by the central government (Head of BKPM Decree No. 58, 2004).

Currently, pursuant to Law No. 23 on Regional Autonomy (2014), the management of FDI involves government functions being performed at all three levels of government: see Table 1. The central government, through the National Coordinating Investment Board, issues licenses to foreign investors to invest and start businesses in the country. This arrangement is complemented by provincial and local governments being able to issue some permits such as location permits, environment permits, land use permits, and disturbance permits as part of the requirements for obtaining a business license (Head of BKPM Decree No. 14, 2015).

While the central government plays the dominant role in the FDI entry process, local governments play a significant role in the pre and after entry processes. For example, prior to investment, local governments are able to conduct investment promotions and cooperate with potential investors. They are encouraged to provide incentives for investment and are able to stipulate investment plans that are connected to the spatial economic development plans in their areas (Law No. 23 on Regional Autonomy, 2014). Then, after the entry process, they are responsible for monitoring the investment projects to ensure that investors comply with their obligations prescribed by law, including engaging in charitable activities as part of their corporate social responsibility, protecting the environment, supporting linkages with local enterprises, and giving priority to local workers (Head of BKPM Decree No. 17, 2015). In addition, they have

Table 1. The management of FDI.

Function of managing FDI	Central government	Provincial government	Local government
Strategic planning to attract and steer FDI	Develop general investment plan at national level	Develop general investment plan at provincial level	Develop general investment plan at district level
Enacting policies to protect citizens from negative impacts of FDI	Develop: national policies on sectors open or closed to FDI national regulations on intervention to protect domestic enterprises national land use planning policies national environment policies	Develop: provincical regulations on local wage policies provincial land use planning policies provincial environment policies	Develop: local regulations on local wage policies local land use planning policies local environment policies
Entry process of FDI	Stipulate investment license and business license	Stipulate permits as part of business license: location permit environment permit disturbance permit land use permit	Stimulate permits as part of business license: location permit environment permit disturbance permit land use permit
Investment promotion	International investment promotion	National and international investment promotion	National and international investment promotion
Investment incentives	Provide national financial and non-financial incentives	Provide financial and non-financial incentives	Provide non-financial incentives
Monitoring the operational process of FDI	Monitoring	Monitoring	Monitoring

Source: drawn from Law No. 23 on Regional Autonomy (2014).

authority to impose local taxes and to enact local regulations on such matters as wages, environmental standards, and zoning (Law No. 23 on Regional Autonomy, 2014).

Case study of Ogan Komering Ilir district

The Ogan Komering Ilir (OKI) district is located in the Southern Sumatera Province. It is 19,000 sq.kms in area, predominantly with low land plantations, forests and un-cultivated land. It has 787,000 residents, who have a low level of educational attainment (only 2.3%

Table 2. FDI in Ogan Komering Ilir (OKI) and Banyuwangi, 2005-2015.

Year	FDI in OKI (IDR billion)*	FDI in Banyuwangi (IDR billion)*
2005	0	1.3
2006	0	0.35
2007	0	3.5
2008	0	82.5
2009	0	11.84
2010	556.0	9.45
2011	1,467.0	959.32
2012	2,893.0	83.05
2013	4,337.0	0
2014	4,709.0	0
2015	8,904.0	6,983.2

Source: drawn from BPPM OKI (2015) and Friarista (2015, 2017).

*1 IDR billion = US\$74,758

have attended university); with most of those of employment age working in the agriculture and services sectors (BPS OKI, 2015). It received a central government award as the champion of the region in attracting investment in 2011-2013 (BKPM, 2013). From 2005 to 2009, it had no FDI. Thereafter, FDI increased significantly from IDR556 billion² in 2010 to IDR8.9 trillion in 2015 (BPPM OKI, 2015); see Table 2.

Nature of the FDI bargaining relationship

OKI welcomes FDI, with relevant policies seeking to provide a favorable investment climate on the understanding that, as a senior local official appreciated, districts cannot survive without openness to FDI. According to the OKI Investment Plan 2014-2025 (Pemkab OKI, 2014), policies are directed at increasing the attractiveness of OKI in the eyes of investors. The local government established a one-stop services office (PTSP) for investment support in 2008, with the activities of the office leading to the above-noted central government award for 2011-2013.

Significantly, and contrary to expectations concerning the dynamics of decentralisation, no direct bargaining occurs between the local government and MNCs concerning FDI, with the local government instead relying on the central and provincial governments to negotiate the interests of local citizens. A senior local official explained that “in the process, investors have followed the standard operating procedure and have not come to me to negotiate directly with me.” Another senior local official outlined the local FDI process as follows. The MNCs usually have obtained their investment licenses and have determined the specific location for the establishment of a manufacturing base. They come to the PTSP to apply for the environment, location, building and disturbance permits. Where appropriate, the local government provides these permits and does not engage in any negotiations with MNCs because the MNCs have already negotiated with the National Coordinating Investment Board or the provincial government. The essence of this process was confirmed by a senior official of an investing corporation.

Given the process, the OKI local government is not well placed to influence MNCs in seeking to accommodate the district's goals. A senior local official expressed considerable dissatisfaction concerning investment in OKI in terms of local benefits:

There are many corporations which own a right of concession for 20,000 to 600,000 hectares of land. If we see the situation literally, it should be beneficial for local people, but to be honest we gain nothing. Only 200 local farmers . . . are empowered. On the other hand, with a letter of concession a corporation can get a loan from the bank. The local government gains nothing. Previous times, we received a small part of the money from the tax; now we got nothing.

Despite significant increases in the volume of FDI, the poverty rate in OKI has only been slightly reduced, from 15.88% in 2010 to 15.3% in 2015; and the unemployment rate has similarly only been slightly reduced, from 7.46% in 2010 to 6.89% in 2015 (BPS OKI, 2015). In response, the official stated that a necessary core goal of the local government was to utilise the multiplier effect of FDI, especially in solving the unemployment problem in the district. He expected foreign corporations to hire 70% of their low skilled employees from among OKI citizens, rather than largely just pursuing their goals of exploiting the district's natural resources. But the bargaining stakes are low for the local government in that, while the OKI economy is based on agriculture and plantations, the number of MNCs seeking to invest in these sectors is limited.

The development of OKI relies on its natural resources. It has tremendous natural resources and abundant land. It has 175,000 hectares of plantation land and has become one of the largest producers of coal in Sumatera (BPPM OKI, 2015). In terms of location, however, it is in a remote area with inadequate infrastructure. It is located 71 kms from Palembang, the capital city of Southern Sumatera, and it takes 3 hours driving time to get there because of the state of the roads. Also, not all of the area is electrified. These factors reduce significantly any resource-related bargaining power of the local government vis-à-vis MNCs wanting to invest in the district.

Location and infrastructural issues act as real constraints on the local government, along with another two important concerns faced by investors. First, conflict over land is prevalent in the district and is not easily resolved, with 22 cases involving conflicts between communities and corporations over land ownership arising from 2010 to 2016 (Mongabay, 2016). Officials of MNCs stressed that land conflicts increase their operating costs, with compensation sometimes needing to be paid to communities and NGOs in the district due to unresolved land conflicts. Second, the district lacks an adequately-skilled local workforce to meet the demands of MNCs. MNC officials said that, while they wanted to prioritise the recruitment of local residents, they often cannot find locals who meet their recruitment criteria and, thus, have to hire workers from other provinces.

Strategies to increase the bargaining position of the local government

In 2008, the local government sought to simplify the procedures governing investment in OKI by establishing the PTSP, which is equipped with an electronic investment information system. The head of the PTSP now has authority to issue some investment-related licenses and permits. In response, MNC officials acknowledged that, since the establishment of the PTSP, the process of investment is faster, easier and cheaper than previously.

The local government has also attempted to improve local infrastructure. Working with the central and provincial governments, it has added 330 kms of roads connecting remote areas to the centre of OKI, 934 kms of district roads, 80 bridges, 150 kms of electricity lines, and 1,078 points of clean water access in 34 villages (Kurniawan, 2015). In addition, it is presently developing a toll road connecting Palembang and Indralaya, and a solar panel energy system in the district (Kurniawan, 2015).

Case study of Banyuwangi district

Banyuwangi district is located in the furthest east of the Eastern Java Province. It is 5,700 sq.kms in area, predominantly with forested and farming land and abundant natural resources (BPS Banyuwangi, 2015). It has 1.5 million residents, who have a low level of educational attainment (only 2.5% have attended university); with most of those of employment age working in the agriculture and services sectors, as in OKI (BPS Banyuwangi, 2015). It gained attention from the national media in 2011 when the local government received some awards from national and international organisations, and again in 2013 and 2015 when it was declared a champion district (Eastern Java Province, 2015). It experienced a significant increase in FDI, from only IDR 1.3 billion in 2005 to IDR 6.98 trillion in 2015 (Friarista, 2015, 2017): see Table 2.

Nature of the FDI bargaining relationship

In Banyuwangi, as in OKI, the relationship between the local government and MNCs is cooperative, with the district being very open to FDI. The local government offers a welcoming and helping hand in the discussions involved. In its development plan, the mission is “to increase regional competitiveness through sustainable economic growth based on local wisdom” (Pemerintah Kabupaten Banyuwangi, 2010).

In contrast to the situation in OKI, the local government engages in direct negotiations with MNCs in the entry process, prior to their applying for investment licenses from the National Coordinating Investment Board. A senior local official explained the arrangements as follows. Potential investors discuss their investment plans with him or the head of the local investment board. After that, they are invited to present the plans to relevant divisions of the local government. During the presentations, the local government stipulates the criteria to be met, including that the investors give priority to district employees, use local raw materials, respect local wisdom, and empower local companies; while the investors set out some demands to be fulfilled by the local government such as in relation to land acquisition. Thereafter, in response to investment plans which meet the criteria, and if there is agreement with the investors, the local government addresses the financial and non-financial incentives that can be provided to them. Financial incentives can be in the form of tax cuts, tax concessions, and land provision. Non-financial incentives are in the form of assistance in applying to the National Coordinating Investment Board, in obtaining disturbance permits (especially in getting approval from the local community), in mediating with land owners to arrive at appropriate prices, and in dealing with the relevant agencies of the provincial and central government. The negotiations can be intensive and time consuming, as influenced by varying expectations and demands.

The local government is generally satisfied with FDI achievements in the district, with a high of IDR 6.98 trillion being reached in 2015: see Table 2. Investment has improved the local economy, with the district recently being recognised as progressive in terms of local economic development (Eastern Java Province, 2016). From 2010 to 2015, the annual economic growth increased from 5.9% in 2010 to 7.9% in 2015; the income per-capita increased from IDR 20.8 million to IDR 37.5 million; the unemployment rate declined from 4.05% to 2.5%; and the poverty rate declined from 11.25% to 9.7% (BPS Banyuwangi, 2015).

In terms of goals, the local government is keen to enhance the agriculture, fisheries and tourism sectors and to ensure a wide array of employment opportunities for local

workers, while MNCs are predominantly interested in exploiting natural resources and are not necessarily committed to maximising local employment opportunities. These differences in goals often become particularly pronounced in the bargaining process, with the stakes involved being affected by considerations of resources and constraints.

Significantly, the district is rich in fishery resources, with the sea area of immediate significance to it being 500,000 sq.kms and producing 66,000 tons of fish annually (BPS Banyuwangi, 2015). Also, 89,964 hectares of its land contains minerals, estimated to comprise 8.6 million tons of copper and 28 million ounces of gold (Merdeka Copper Gold, 2015). Such resources are potentially exploitable with active local involvement to a greater degree than is presently the case, were it not for the existence of important constraints.

As in OKI district, the district has limited human capacity to meet particular, and varying, opportunities and demands of local economic development from the perspectives of MNCs involved. This raises critical issues of skills specification, acquisition and utilisation, as founded in forms of job analysis, education and employment within and beyond the district. These are matters of immediate significance to economic growth and socio-economic well-being at the local level, for which all levels of government, communities and MNCs have responsibility.

Also as in OKI district, remoteness is an issue which, coupled with the state of roads, electricity and other infrastructure, adversely affects initiatives to attract FDI. The provision of various incentives and streamlined permit arrangements can counter some of the effect, but only partly so. A limitation is where, for example, in relation to fisheries, the central government imposes specific restrictions that must be complied with in accordance with its international sea-resource obligations and commitments.

Strategies to increase the bargaining position of the local government

Regular reviews and adaption of incentives and regulatory requirements in response to changing circumstances can strengthen the hand of the local government in its bargaining with MNCs. More concerted action can be taken to assist MNCs to develop and use local products which are environmentally friendly, at the same time as embodying local wisdom in regulations to protect citizens from the negative impacts of foreign investment. The simplification of investment stipulations and procedures can assist in enhancing the investment climate in the district.

The local government is already active in promoting investment in the district, but more can be done in this regard. International investment promotions are often combined with other significant events. Included are events such as the international BMX competition and international surfing competition, as well as events held quite regularly with the embassies of South Korea, Canada and the United States.

In collaboration with the central and provincial governments, the local government is improving transport connectivity by developing two large ports, double track railway lines, some small airports, and infrastructure for fast internet through the Banyuwangi digital society project. Also, two large eco-industrial parks and two public universities are presently being established. The latter will serve to decrease the capacity gaps between the demands of MNCs and the current supply of local employees (BPPT Banyuwangi, 2015).

Conclusions

The case studies of the two districts highlight how the decentralisation of power and responsibility in Indonesia since 2001 has shaped relationships between local governments and MNCs on FDI initiatives comprising alignments of goals, stakes, resources and constraints. The relationships, based on differing forms of bargaining, have proved to be more cooperative than conflictual. Local governments have needed MNCs and their capital investment projects to develop their districts, while MNCs have needed the support of local governments to pursue their economic and financial objectives. In the process, local leaders have been encouraged to protect and promote the interests of their communities by facilitating good investment climates and ensuring sound policy interventions with the aim of enhancing socio-economic wellbeing at the local level.

Decentralisation has provided local governments with some room to manoeuvre in the process of FDI management. Although the local governments discussed here have had similar objectives regarding FDI, their approaches in interacting with MNCs have differed considerably. Significantly, the Banyuwangi local government has chosen to negotiate directly with potential investors, while the OKI local government has relied on the provincial and central governments to act in this regard. These contrasting approaches have inevitably conditioned their relationships with MNCs in important ways, but have not resulted in notably different outcomes.

Important strategies for enhancing the bargaining positions of local governments vis-à-vis MNCs include the extensive expansion of road, electricity and other infrastructure, the fostering of good investment climates, and the establishment of effective one-stop service arrangements for potential investors. Such strategies are crucial individually and together, but are not sufficient in themselves as responsible means of enhancing local development. Quite clearly, they need to be accompanied by the policy and administrative capacity of local governments to ensure FDI initiatives are appropriately geared to the meeting of local interests and needs.

Disclosure statement

No potential conflict of interest was reported by the authors.

Notes

1. Interview arrangements and related details are available on request from the corresponding author.
2. 1 IDR billion = US\$74,758.

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